

7. **EXCLUSIONS FROM COVERED MAINTENANCE:** Covered Maintenance does not include:
- (a) Maintenance of accessories, attachments, supplies, machines or other devices that are not Equipment Items;
 - (b) Repair of damage not caused by ESC, including without limitation, damage resulting from accident, transportation, neglect or misuse, lightning, failure or fluctuation of electrical power, air conditioning or humidity control, telephone equipment or communication lines failure, failure of foreign interconnect equipment, or causes other than ordinary use;
 - (c) Specification changes;
 - (d) Any services in respect to software or firmware programming or any damage to Equipment caused by software or firmware programming;
 - (e) Vandalism.
8. **PARTS:** Covered Maintenance shall include replacement of unserviceable parts, except for supplies or expendable parts such as but not limited to, depository ink cartridges, journal paper and magnetic tape cassettes. In the case of Billable Call Maintenance, replacement of unserviceable parts shall be made at ESC's replacement part prices current at the time of replacement, unless the maintenance involving replacement is Billable Call Maintenance solely because of the hour or day when performed, in which event the maintenance shall include parts replacement as in the case of Covered Maintenance. All replaced parts become the property of ESC.
9. **CHARGES TO CUSTOMERS:**
- (a) **Charges for Covered Maintenance:** The applicable rates for covered Maintenance are set forth in Exhibit A hereto.
 - (b) **Charges for Billable Call Maintenance:** The applicable rates for Billable Call Maintenance are the current Billable Call Rates in effect for the hour or day such service is performed (including, where applicable, night, weekend and holiday rates). Exhibit A hereto sets forth the ESC standard Billable Call Rates presently in effect.
 - (c) **Charges for Travel:** Customers shall pay for travel time and travel expense in connection with Billable Call Maintenance. Travel time will be charged to Customer at the hourly Billable Call Rate then in effect for the hour or day the travel is performed. Travel expense will be charged as incurred and includes tolls, parking and other out-of-pocket costs plus mileage at the then current rates. There will be no additional charge to Customer for travel expense incurred in connection with Covered Maintenance.
 - (d) **Taxes:** All maintenance charges are exclusive of applicable federal, state or local taxes. Customer shall pay, or reimburse ESC for, any such taxes and ESC may add such taxes to the invoices submitted to Customer by ESC as provided in Section 11 hereof.
10. **CHANGES IN CHARGES:** ESC may change the charges for Covered Maintenance effective at the beginning of any Maintenance Period. Customer may terminate this Agreement within thirty (30) days after receipt of the first invoice with changed charges by giving ESC thirty (30) days written notice of its intention to terminate, and this Agreement will terminate as of the date for termination set forth in such Customer's notice to ESC or at the end of such thirty (30) day period, whichever last occurs.
11. **PAYMENT:** ESC will invoice Customer in advance for each Maintenance Period for Covered Maintenance as specified in Exhibit A. Such invoices may include pro-rata charges for any Covered Maintenance of Equipment installed during the previous Maintenance Period or prior to the Effective Date. ESC will invoice Customer for Billable Call Maintenance as incurred and Customer shall pay such invoices within the time specified thereon. Customer shall pay invoices for Covered Maintenance, including any invoices outstanding on the Effective Date of this Agreement, on or prior to the Commencement of the Maintenance Period.
12. **DISCLAIMER OF WARRANTY:** ESC makes no warranty of any kind, express or implied, including without limitation, any warranty of merchantability or fitness for a particular purpose

with respect to the subject matter hereof, maintenance to be performed by ESC pursuant to the terms hereof, or part to be supplied hereunder.

13. **LIMITATION OF LIABILITY:** Customer agrees that ESC's total liability hereunder, including but not limited to, any alleged negligence of ESC shall not exceed the amount paid for Covered Maintenance by Customer to ESC attributable to the particular unit of Equipment directly involved for the (3) three months immediately preceding the occurrence giving rise to any claim by Customer. In no event will ESC be liable for any incidental or consequential damages, including without limitation, loss of use, loss of data, loss of profit, loss of monies deposited to or removed from Equipment or any affiliated components, or liability to third parties, however caused, whether by the negligence of ESC or otherwise.
14. **FORCE MAJEURE:** ESC shall not be liable to Customer for any delay or failure by ESC to perform its obligations under this Agreement or otherwise if such delay or failure arises from any cause beyond the reasonable control of ESC, including but not limited to labor disputes, strikes, other labor or industrial disturbances, acts of God, flood, lightning, shortages of materials, rationing, utility or communication failures, earthquakes, casualty war, acts of public enemy, riots, insurrections, embargoes, blockages, actions, restrictions, regulations or orders of any government, agency or subdivision thereof.
15. **TERMINATION FOR NON-PAYMENT:** In addition to any other remedies ESC may have hereunder or at law, ESC may terminate this Agreement at any time for non-payment of any amount due for service invoiced and rendered under this Agreement.
16. **NOTICES:** Any notices, requests, instruction or other pertaining to this Agreement shall be in writing and delivered personally or sent by U.S. Mail, postage prepaid, and addressed as follows:

If to ESC:

EFMARK SERVICE COMPANY
1111 Executive Court, Suite 200
Westmont, IL 60559

If to Customer:

NORTH FEDERAL SAVINGS BANK
100 West North Avenue
Chicago, IL 60610

Either party may change the address to which notice is to be sent by giving written notice thereof to the other party.

17. **GENERAL:** This Agreement shall be governed by the laws of the State of Illinois and constitutes the entire agreement between the parties hereto with respect to maintenance of Equipment, and shall supersede all previous or contemporaneous negotiations, commitments and writings with respect signed by authorized representatives of both parties. The terms and provisions of this Agreement shall prevail over any conflicting, additional or other terms appearing on any purchase order submitted by Customer at any time. Neither this Agreement nor any other rights hereunder may be assigned or otherwise transferred by either party, except to any corporation controlled by or under common control with the assigned party, or in connection with the acquisition of, or the sale of substantially all of the assets of the business to which this Agreement pertains.

CUSTOMER

BY: _____

EFMARK SERVICE COMPANY



EXHIBIT A**SERVICE PLANS**

PLAN "A"
8:30 A.M. - 5:00 P.M.
MONDAY - FRIDAY

8:30 A.M. - NOON
SATURDAY

PLAN "B"
8:30 A.M. - 11:00 P.M.
MONDAY - SUNDAY

EQUIPMENT	LOCATION	SERVICE PLAN	PRICE
(1) FUJITSU 8000	100 W. NORTH AVE., CHICAGO, IL	"A"	\$1,950

Billable Call Rate: \$96.00 per hour.

Holidays:

Christmas

Thanksgiving

Labor Day

New Years

July 4th

Presidents' Day

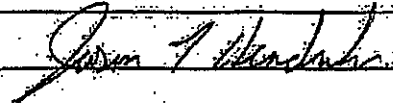
Easter

Memorial Day

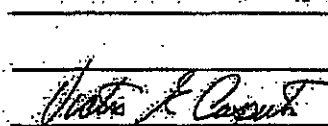
ADDENDUM**TO****EFMARK Service Agreement****Dated: February 17, 1995**

This Addendum dated June 20, 1997 between EFMARK Service Company and North Federal Savings & Loan of Chicago hereby incorporates all terms and conditions set forth in EFMARK Service Agreement executed on above date to include additional equipment as specified below. This addendum shall become effective on August 15, 1997.

EQUIPMENT	LOCATION	SERVICE PLAN	ANNUAL PRICE
(1) NCR 5670	Gold-Coast Multiplex Center 1030 N. Clark St. Chicago, IL 60610 (312) 944-1030	"B"	\$1,200

Accepted By:**EFMARK SERVICE COMPANY**


Sales 6/20/97
(TITLE) (DATE)

NORTH FEDERAL SAVINGS & LOAN


Executive V.P. 6/20/97
(TITLE) (DATE)

02/25/1999 12:21 6307891414

EFMARK SERVICE

PAGE 02

EQUIPMENT SALES AGREEMENT

EFMARK

EFMARK SERVICE COMPANY
 1111 Executive Court, Suite 200
 Westmont, IL 60559
 (630) 789-1414 • Fax (630) 789-1463

Contract No.: _____

DATE: February 25, 1999

SELLER

PURCHASER

EFMARK SERVICE COMPANYNORTH FEDERAL SAVINGS BANK1111 Executive Court, Suite 200100 W. North AvenueWestmont, IL 60559Chicago, IL 60610Mr. Jason HendricksenMr. Victor E. Caputo

Seller agrees to sell and the Purchaser agrees to purchase to data processing equipment listed below, hereinafter referred to as "Equipment."

QUANTITY	MANUFACTURER	MODEL	PRICE
1	Fujitsu 7020 Interior Rear Service Lobby ATM, <u>Refurbished</u> (2) Denom. Dispenser w/(2) cassettes, 13" color CRT, Dip Card Reader, PC Based Processor, 12 MB Memory, EJ, Programmable Depository, DES.	7020	
1	Software (Year 2000 Version)		
LESS	Trade: Fujitsu 7015 Cash Dispenser, <u>New</u> Configuration: 3 Denom. BDU w/Cassettes, 3 Extra Cash Cassettes; Mono CRT; Swipe Card Reader; PC Based 486 Processor; Network Software; DES. Site Work By Others / Surround by Separate Agreement Backlit Stainless Surround Network Logo Sign Pack Supplies Starter Kit Delivery, Installation, and Training	7015	
	TOTAL		\$1,900 \$ 150 \$ 425 Included \$2,475

TERMS OF PAYMENT: 40% WITH AGREEMENT, BALANCE UPON INSTALLATION.

Location: Branch, Westlake Plaza Shopping Center, Wilmette, IL 60091.

This contract is void if not accepted by: March 15, 1999.

The additional terms and conditions on the reverse side hereof and on the following pages are incorporated in and made part of this agreement. IN WITNESS WHEREOF, the parties have caused this agreement to be signed by their respective duly authorized representatives:

ACCEPTED BY SELLER:

ACCEPTED BY PURCHASER:

EFMARK SERVICE COMPANYNORTH FEDERAL SAVINGS BANKNAME: Jason J. HendricksenNAME: Victor E. CaputoTITLE: SalesTITLE: Executive V.P.DATE: 2/25/99DATE: 2/25/99

02/25/1999 12:21 6387891414

EFMARK SERVICEC

PAGE 03

1. **TITLE:** At closing, title to the Equipment will be free and clear of all liens and encumbrances and shall vest in the Purchaser upon payment in full.
2. **MAINTENANCE:** Seller warrants the Equipment will be at current engineering levels at the time of delivery and qualified for the manufacturer's maintenance agreement unless otherwise stated and made a part of this agreement.
3. **DELIVERY AND TRANSPORTATION:** The Equipment shall be deemed delivered to Purchaser when Seller shall have created or otherwise packed the Equipment ready for shipment and have the Equipment at the location listed on the reverse side of this agreement. Purchaser shall be responsible for insurance and transportation charges pertaining to the Equipment.
4. **TAXES:** All taxes applicable to or arising from the sale of the equipment shall be borne by Purchaser and paid to Seller at time of closing.
5. **INSPECTION:** Upon request of the Purchaser, Seller will arrange an appointment for Purchaser to inspect Equipment at Purchaser's expense, as long as Purchaser's activity shall not interfere with the then use of the Equipment.
6. **GENERAL TERMS:** All cables, cartridges, terminators and other devices normally included with Equipment when purchased from the manufacturer under the configuration listed on the reverse side of this agreement, shall be delivered to Purchaser unless otherwise stated.
7. **REMEDY FOR BREACH:** In addition to any other remedies allowed by law, in the event Purchaser fails to make payment contemplated herein, Seller may terminate this Agreement and retain all payments previously made as liquidated damages.
8. **NOTICES:** All notices to be given hereunder shall be in writing and addressed to the party at its address above stated, hand delivered or mailed certified or registered mail, return receipt requested, and shall be effective upon receipt.
9. **ILLINOIS CONTRACT:** This contract shall be construed in accordance with the laws of the State of Illinois. Parties hereby agree that all actions or proceedings arising from this agreement shall be litigated only in the courts having suits within the State of Illinois.
10. **OFFER TERM:** This offer shall remain in full force and effect until the expiration date hereof, at which time if Seller has not accepted this offer and returned a signed copy of this agreement, this offer shall expire and be of no further force and effect. Upon acceptance of this offer by Seller as described above, this offer shall be a binding agreement on the parties hereto.
11. **ENTIRE AGREEMENT:** It is understood and agreed that this agreement constitutes the entire agreement between Purchaser and Seller, and it is further mutually agreed that there are no oral agreements, modifications or changes, and any modifications or changes in order to be binding upon the parties hereto must be in writing and signed by the party against whom enforcement thereof is sought.

EFMARK MAKES NO REPRESENTATION OR WARRANTY OF THE FITNESS OR MERCHANTABILITY OR OTHER CHARACTER OF THE EQUIPMENT COVERED BY THIS AGREEMENT EXCEPT AS EXPRESSLY STATED HEREIN.

12:02:08 PM CDT

McCormick Maria
3120000437 NOW Account

Confirmation

Your request has been applied on Mon Jun 16 12:01:29 CDT 2008.
Please refresh any related inquiry pages.

McCormick Maria
3120000437 NOW Account
Enter Dollar Transaction

Enter another dollar transaction?

Transaction:	822 - Wire Transfer-Out	Withholding:	0.00
Amount:	1,648.00		

General Ledger Information

Account:	000153200	Cost center:	0001000
----------	-----------	--------------	---------

TRANSACTION AMOUNT EXCEEDS TOTAL AVAILABLE BALANCE. level #3 DPOD015
ACCOUNT HAS DIRECT DEPOSIT. level #2 DPOD031

Close Message Area

12:02:47 PM CDT

McCormick Maria
3120000437 NOW Account

Confirmation

Your request has been applied on Mon Jun 16 12:02:07 CDT 2008.
Please refresh any related inquiry pages.

McCormick Maria
3120000437 NOW Account
Enter Dollar Transaction

Enter another dollar transaction?

Transaction:	247 - Misc Service Charge	Withholding:	0.00
Amount:	40.00		

General Ledger Information

Account:	000319400	Cost center:	0001000
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TRANSACTION AMOUNT EXCEEDS TOTAL AVAILABLE BALANCE. level #3 DPOD015
ACCOUNT HAS DIRECT DEPOSIT. level #2 DPOD031

Close Message Area

DPR

HUBBARD'S E-MAILS

5

&

8

Jim Hubbard

From: Jim Hubbard
Sent: Tuesday, May 27, 2008 7:17 PM
To: Matt Gambs
Subject: Various Voice Mails

Matt,

Sorry we did not get to meet as scheduled today. Some of the issues you asked about in your voice mails;

1. Brian Sullivan – we have the deal to Gottermeyer (sp) to see their interest. Told Chris he thinks they will do it, no commitment yet. Interim renewal docs being prepared for 90 day extension.
2. Chris is proposing \$200,000 in true working capital for Manny. The other \$150,000 would be deposited in his accounts and a hold placed on it so there would never be a case where any of his daylight overdrafts would exceed what is on hold.
3. Yedinak we expect to issue a commitment letter in the morning. Arnstein has been unable due to a technical reason to get us the word doc so we can tweak it and put in on letter head. I am going over there in the morning to get the doc done and issued. I met with them on Friday.
4. Kennedy Webster – I still have not received the excel file, I will call Ray in the morning unless you would prefer to call him. I spent time with Ismet on Friday and he worked on CAF yesterday and we will need the excel file soon.
5. Honor Finance – I am going to give it to Felicia in the morning to finish up.

We have the following loans which we want to get documented, negotiated and funded in the next three weeks:

New \$ Funded at Close (000)	Customer	Attorney Handling	Status	Anticipated Funding
\$ 1,775	Byrne	Documentation - Crumlish staff Commitment letter to be issued Weds -	Doc Prep / Negotiation	First wk of June
\$ 2,400	Yedinak	Arnstein		3rd Wk of June
\$ 300	Sachs	Documentation - Crowley	Doc Prep / Negotiation	First wk of June
\$ 150	Mohamed	Documentation - Crowley	Doc Prep / Negotiation	First wk of June
\$ 1,400	Jalai	Documentation - Crowley	Doc Prep / Negotiation	2nd Wk of June
\$ 1,600	Rosenburg	Documentation - Crowley	Doc Prep / Negotiation	First wk of June
\$ 2,000	Velblum	Documentation - Arnstein	Doc Prep / Negotiation	2nd Wk of June
\$ 2,500	Miglin	Documentation - Crowley	Last negotiation	Next Thursday/ Friday 1 wk notice for Cap Hill
\$ 500	Sullivan	Documentation - Crowley	need participant	?
\$ 400	Mansion	Documentation - Arnstein	Doc Prep / Negotiation	3rd Wk of June
		Documentation -		2nd Wk of

6/13/2008

Cole Dep DPR000132

\$	200	Nachonetchy	Crowley	Doc Prep / Negotiation	June
\$	1,500	Pignotti	Documentation - Crowley	Doc Prep / Negotiation	First wk of June
\$	14,725				

6. We are trying Arnstein on these three transactions. They had agreed in our meeting to due the transactions for a price which was a little above Crowley, but fair. However, the engagement letter had their full rack rates which is double Crowley's rates. We will see how it plays out.
7. You should have received via voice mail and email the number for Babbins and for McGarr. We have a meeting with her on Thursday.
8. Larry Ligas - In process of cleaning basement out. Will f/u. Only item left for him is electrical panel in that room. He mentioned that he had unbilled electrical work for us which caught both Dean and I unaware. I will be speaking to him on that as well.

We are focusing on getting the above transactions closed to start earning some income. Unless you have different plans, I would like to get Felicia working on transactions to get her up to speed with us and clear out some of the significant backlog. I will keep room on her plate for new business underwriting. Please let me know.

I had a lengthy meeting with the OTS again today. They wanted to discuss 12 loans which they had looked at last exam and wanted updates since they seem to not have the time to look at the files. All seemed to go well. The only two credits which they have taken issue with this exam are the ones you are aware of \$400 for Appel and Firm Foundations.

I am going out to Americash this week. They are in Des Plaines. Do you want to join me?

We will be starting to open a number of accounts for Draper and Kramer this week. I will know the volume later in the week.

We need to discuss funding as we should be putting on over \$14mm in the next few weeks. Timing or issues with Republic that I can assist with?

We should discuss examiner responses. Have they proposed an exit briefing time?

I know you have been busy and not able to make the Tuesday meetings so there are a number of other issues which we should discuss when you have time to meet. It would be more productive for me than drafting emails. I will be happy to drive to Schaumburg to meet if that helps. A few of them are:

1. Chris
2. ATM litigation
3. Fox litigation
4. exception system
5. appraisal process
6. Loan approval process

Thanks,

Jim

James A. Hubbard
President

6/13/2008

Cole Dep DPR000133

Diamond Bank, FSB
100 W. North Avenue
Chicago, IL 60610
312.649.5008
312.664.4289 fax
jhubbard@dbdiamond.com



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Jim Hubbard

From: dac@dacstudios.com
Sent: Thursday, October 13, 2005 8:38 AM
To: Jim Hubbard
Cc: lisallgas@aol.com
Subject: Invoice from DAC Studios, Ltd.
Attachments: Invoice_05023.1-3_from_DAC_Studios__Ltd..pdf

Dear Jim :

Please find attached invoice #05023.1-3. For the reconfiguration of the entry vestibule based upon the changed ATM device from an Optiva to a Personas 86 and the Misc. details associated with it. Please remit payment at your earliest convenience.

Thank you for your business - we appreciate it very much.

Sincerely,

David A. Cintron, Jr. AIA, LEED A.P.
DAC Studios, Ltd.
312-491-9069

To view your invoice

Open the attached PDF file. You must have Acrobat® Reader® installed to view the attachment.

Jim Hubbard

From: LLigas@aol.com
Sent: Tuesday, November 08, 2005 8:04 AM
To: Jim Hubbard
Subject: CAT 5e

Jim:

When I bid on the base contract, the CAT 5e pre-wiring was to be completed by Marty (house cable man).

To date, since June, I have invested 246 man hours and 6,000+ feet of cable in pre-wiring. This includes the mezzanine executive office and conference room, additional CAT 5e wiring to conference table for signal, new ATM machine, 1st floor teller line and all new work stations, etc. This also includes terminating the network jacks in the executive office and conference room.

The lowest rate I've charge in the past five years for CAT 5e pre-wiring is \$65.50 per man hour. I'm willing to bill at \$65.50 per man hour, plus materials. I hope this is acceptable and comparable to the hourly rate that Marty's crew bills out at.

Please respond.
Thanks,
Larry

6/12/2008

Cole Dep DPR000136

Jim Hubbard

From: Minal N. Desai
Sent: Friday, December 02, 2005 5:03 PM
To: Jim Hubbard; Victor E. Caputo
Subject: ATM

Jim,

Just an FYI - I think we should consider getting a heat lamp put outside for the ATM. Per our customers "they are freezing out there".

Thanks, Minal

Minal N. Desai
Administration Officer - Marketing
Diamond Bank, FSB f/k/a North Federal Savings Bank
100 West North Avenue
Chicago, Illinois 60610
312.649.5010
312.649.4289 fax
mdesai@dbdiamond.com



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Jim Hubbard

From: Victor E. Caputo
Sent: Wednesday, December 21, 2005 10:49 AM
To: Jim Hubbard
Subject: Customer Call

Jim:

Eva Haussner called me today with her concerns about ATM location. She has been a long time customer of the bank and was shareholder of the bank (she had a small position in the original issue). She indicated that she was concerned about the fact that the machine was outside and the customer's had face the weather elements to do their transaction. She was also concerned about the safety issues. I indicated to her that the new entry way did allow for an enclosure for the ATM. She indicated that she would like to talk the President about her concerns. I told her I would have you call her. Her number is 312-944-7405. Eva is a nice lady who I think just wants to voice her concerns.

Vlc

Victor E. Caputo
Executive Vice-President & C.O.O
Diamond Bank, FSB f/k/a North Federal Savings Bank
100 W. North Avenue
Chicago, IL 60610
312.649.5009
312.664.4289 fax
vecaputo@dbdiamond.com



Jim Hubbard

From: LLigas@aol.com
Sent: Wednesday, December 21, 2005 3:38 PM
To: Jim Hubbard
Subject: atm

Jim:

Let's stay focussed. You can't control the fact that the switchover occurred in zero degree weather.

I stand firm with my opinion that there should not be a heatlamp. It will attract undesirable element from the bus stop, and make atm customers uneasy. Also, the orange color will distort and impede the image on your cameras.

Second, a recommendation from my past electrical life - I've known a guy named Wayne Beutin from I.N.S. (Illinois National Safe). There's an account manager for the area named Patrick Woods who does nothing but banks (including all LaSalle banks) and many other banks in the city. He is available on Thursday at 10:00, and his number is 630/ 694-1600 x 2062. If you want to make an appointment. Now may be the time to move away from ADT and into a company that can handle . I recommended I.N.S. to Vic several months ago.

-Larry

Jim Hubbard

From: Ron Casteel [rkcasteel@comcast.net]
Sent: Monday, May 01, 2006 3:24 PM
To: Jim Hubbard
Cc: Brett Sand
Subject: The ATMs

Jim,

According to the paperwork I have from 5/3 there are 2 ATMs one at North ave the other Willmette branch.

In talking with Vic on Friday he stated there is one at a fitness club near North ave.
He also stated that since the Bank put a surcharge on transactions use is down to 1000 transacions per month.

I spoke with 5/3 a few minutes ago
Are either of these ATMs taking deposits?

If they are not taking deposits and the monthly usage is around 1000 transacions a month
we can put a high end dial up line at each location.
The cost is 20.00 a month for line around 150 for install plus whatever Efmark charge is.

Otherwise the cheapest way is the class 1 offering from 5/3
cost is 199.80 monmth plus 30.00 port fee plus 20.00 a month router maint
and one time cost of \$1,400.00 for router and \$800.00 install of router.
I asked if Bank could supply own router and install they said no. I charge \$900 for same router and 400 for install.
If the bank is going to have the ATMs take deposits you have to go this class 1.

Let me know about taking deposits and about the Fitness club ATM please.
We can ask Metavante what they would charge ?

Ron

Ronald Casteel
Vice President, Networks & Communications
Next Step Technology Inc.
Direct 312 469-7888
Fax 312 469-7889
Cell 312 420-6207

ron@nextsteptechology.com

www.nextsteptechology.com

Intelligent solutions in Communications, Compliance, Security, Technology, Training.

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Jim Hubbard

From: LLigas@aol.com
Sent: Monday, June 19, 2006 1:28 PM
To: Jim Hubbard
Subject: ATM

Jim:

This Fathers' Day had to be one of your best - still glowing from the Lieutenant's graduation.

Friday was a productive day, well planned and executed from the start at 6:00 am to the activation and rebooting of the ATM at 4:00 pm.

Unfortunately, your branch manager Brandt chose to have an outburst without thinking and researching inaccurate information from Diana. He accused my men (or sub contractor) of causing a new hairline crack on the viewing glass at the top right side of the ATM machine.

Immediately, without walking into the bank ATM closet, I knew what the concern was. I reported this to Victor Caputo back in early April, when ADT made its third attempt to activate the camera in the ATM. ADT climbed on to see if there was a location in front to hang the camera. Victor and I agreed that we needed to choose our battles.

Brandt stood there insisting that he knew "for a fact" that there was no damage/crack on Friday morning. Brandt was dead wrong. Why didn't he mention a real concern - missing glass outside the ATM protecting the lights? All this over a \$25 piece of plastic

Karol (usually so mild mannered) was so furious with Brandt's timing/ decision to debate me. La Salle Glass Installers are running with Brandt's damage outburst against us, i.e. the same person who cracked the glass is perhaps the person who dented/scratched the stainless.

I guess that's the way Brandt chose to acknowledge his voice as authority. Bad choice - instead of saying, "Well planned. Thank you for getting the ATM back up and running."
Youth and Inexperience....

Larry

Jim Hubbard

From: Brett Sand
Sent: Monday, July 10, 2006 3:04 PM
To: Jim Hubbard
Subject: Red-Line Policy
Attachments: Night Deposits Red-Line.doc; Security Procedures Red-Line.doc; ATM Security.doc; Night Deposits.doc; Security Procedures.doc

Jim,

Attached are the three policies for ATM Security, Physical Security, and Night Deposits, along with the red-line versions highlighting the changes. I did not include a red-line copy of the ATM Security because we did not change anything from the previous policy.

-Brett

Brett D. Sand
Special Projects Coordinator
Diamond Bank, fsb
100 W. North Avenue
Chicago, IL 60610
312.649.5006 tel
312.649.5026 fax
bsand@dbdiamond.com

 **diamond bank**
www.dbdiamond.com

Jim Hubbard

From: northfed/Jhubbard@dbdiamond.com
Sent: Saturday, September 30, 2006 1:32 PM
To: Akiba BarBerousse
Subject: Disclosures sign

Akiba,

let's order another one of those sign panels for the skokie branch. Also, we need star sf signage for the atm here and north ave. Please see brett.

Thanks

Jim

Jim Hubbard

From: Larry Ligas [LLigas@uscellular.blackberry.com]
Sent: Thursday, January 04, 2007 7:37 AM
To: Jim Hubbard
Subject: Atm

Mid July 2006 we cleaned the
Filter and the ATM after placing
Perment location.
Larry Ligas
cell (312) 608-0046
Reply to:LLigas@uscellular.blackberry.com

Jim Hubbard

From: Brett Sand
Sent: Thursday, November 15, 2007 6:10 PM
To: Kimberly Cole
Cc: Jim Hubbard
Subject: FW: ATM Fee Notices

Brett D. Sand
Special Projects Coordinator
Diamond Bank, FSB
100 W. North Avenue
Chicago, IL 60610
312.649.5006 tel
312.523.5163 cell
312.664.4289 fax
bsand@dbdiamond.com

**diamond bank**

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From: Tom Thomas [mailto:tom_thomas@tcaregs.com]
Sent: Thursday, November 15, 2007 6:02 PM
To: Brett Sand
Subject: ATM Fee Notices

Brett, hear is the source I was referencing in our discussion. Call if need additional assistance. Tom

FED-REGS, BANK-COMPLIANCE, 12 CFR §205.16 Disclosures at automated teller machines.

12 CFR §205.16

Disclosures at automated teller machines.

(a) Definition. Automated teller machine operator means any person that operates an automated teller machine at which a consumer initiates an electronic fund transfer or a balance inquiry and that does not hold the account to or from which the transfer is made, or about which an inquiry is made.

(b) General. An automated teller machine operator that imposes a fee on a consumer for initiating an electronic fund transfer or a balance inquiry shall:

(1) Provide notice that a fee will be imposed for providing electronic fund transfer services or a balance inquiry; and

(2) Disclose the amount of the fee.

(c) *Notice requirement.* To meet the requirements of paragraph (b) of this section, an automated teller machine operator must comply with the following:

(1) On the machine. Post in a prominent and conspicuous location on or at the automated teller machine a notice that:

(i) A fee will be imposed for providing electronic fund transfer services or for a balance inquiry; or

(ii) A fee may be imposed for providing electronic fund transfer services or for a balance inquiry, but the notice in this paragraph (c)(1)(ii) may be substituted for the notice in paragraph (c)(1)(i) only if there are circumstances under which a fee will not be imposed for such services; and

(2) *Screen or paper notice.* Provide the notice required by paragraphs (b)(1) and (b)(2) of this section either by showing it on the screen of the automated teller machine or by providing it on paper, before the consumer is committed to paying a fee.

(d) *Temporary exemption.* Through December 31, 2004, the notice requirement in paragraph (c)(2) of this section does not apply to any automated teller machine that lacks the technical capability to provide such information.

(e) *Imposition of fee.* An automated teller machine operator may impose a fee on a consumer for initiating an electronic fund transfer or a balance inquiry only if

(1) The consumer is provided the notices required under paragraph (c) of this section, and

(2) The consumer elects to continue the transaction or inquiry after receiving such notices.

Official Staff Commentary: 12 CFR 205.16

Section 205.16 —Disclosures at Automated Teller Machines16(b) GeneralParagraph 16(b)(1)1. *Specific notices.* An ATM operator that imposes a fee for a specific type of transaction —such as for a cash withdrawal, but not for a balance inquiry, or for some cash withdrawals, but not for others (such as where the card was issued by a foreign bank or by a card issuer that has entered into a special contractual relationship with the ATM operator regarding surcharges) —may provide a notice on or at the ATM that a fee will be imposed or a notice that a fee may be imposed for providing EFT services or may specify the type of EFT for which a fee is imposed. If, however, a fee will be imposed in all instances, the notice must state that a fee will be imposed.

O. Tom Thomas

Managing Principal/CEO

TCA, Inc.

2846 N. Mildred Ave. Suite 150

Chicago, IL 60657

800-934-7347

773-525-8507 (Fax)

www.tcareqs.com

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Jim Hubbard

From: Kimberly Cole
Sent: Friday, November 23, 2007 4:35 PM
To: Jim Hubbard; Dean Jukovich
Subject: ATM Complaint

A package from The Consumer Advocacy Center, P.C. came today in the mail addressed to James A. Hubbard, CEO and President of the Diamond Bank, FSB. This is the agency/attorneys for the plaintiff Carmen Flores.

Inside is a request for a waiver of service (for the bank to waive the right to be officially served with a summons by the courts to alleviate any fees/costs associated with serving a summons) to be received within 30 days. The package also contains the official complaint that was filed with an official case number.

We should meet on Monday, November 26th to determine a course of action.

Thanks,
Kimberly Cole
Senior Vice President & Chief Operating Officer
Diamond Bank, FSB
100 W. North Avenue (at Clark)
Chicago, IL 60610
312.649.5021 (Work)
312.371.4056 (Mobile)
312.664.4289 (Fax)
kcole@dbdiamond.com
www.dbdiamond.com

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6/12/2008

Cole Dep DPR000148

Jim Hubbard

From: Kimberly Cole
Sent: Thursday, December 06, 2007 3:01 PM
To: Jim Hubbard; Dean Jukovich; Chris Sebastian
Cc: Barbara Boldt
Subject: Board Meeting Preparation
Importance: High

Below is the agenda we were planning to cover for the board meeting (per our meeting on 11/28/07). There are probably some changes due to the amount of time we have left to prepare. Please let me and Barbi know so that we can adjust accordingly. I plan to be done with my portions by tomorrow. At the latest, maybe we could distribute via email Saturday, 12/8/07 in the am. However, we were hoping for tomorrow, Friday, 12/7/07 by 5p.m.

Strategy Session Follow-up

Ask if there are any items to be covered or closed related to the three strategy discussions – J. Hubbard

Board Business Items

Minutes from Previous Meeting – K. Cole

Financial Update (w/ALCO) – D. Jukovich

Interest Rates and Loan Reports – C. Sebastian

Legal Issues

Jennifer Trent Update – K. Cole

Fraud Update – K. Cole

ATM Class Action Litigation Introduction – K. Cole

George Fox Litigation (December 11th) – J. Hubbard

Landmark Status and Issues – J. Hubbard

Regulatory, Risk and Compliance Topics

SAR Updates – K. Cole

Fair Lending Review – J. Hubbard

Credit Policy Review & Approval – J. Hubbard/C. Sebastian

CRA Review – J. Hubbard/Andrew Bonfeld

Other Business

Recommendation/Resolution for BSA/AML Coordinator for 2008 – K. Cole

Resolution for Dividend (Holding Corp and Bank) – D. Jukovich

Resolution for year-end officer promotions??? My vote to wait until the first meeting of the year...

2008 Calendar of Board and Special Meetings**Audit Committee**

Summary of 2007 TCA findings and recommendations – K. Cole

Diamond Bank, FSB – February 2007

Air Mortgage – July 2007

Summary of B & K Audit – D. Jukovich

Summary of Seldon Fox??? – wasn't sure if there was anything to add for this as there 2007 audit (for 2006) was covered in the first Audit Committee Meeting???

2008 Audit Schedule Proposal – K. Cole/D. Jukovich

Thanks,
Kimberly Cole
Senior Vice President & Chief Operating Officer
Diamond Bank, FSB
100 W. North Avenue (at Clark)
Chicago, IL 60610
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Jim Hubbard

From: Kimberly Cole
Sent: Monday, December 10, 2007 12:27 AM
To: Jim Hubbard; Dean Jukovich; Barbara Boldt; Chris Sebastian
Subject: Board Meeting Preparation
Attachments: AGENDA December 12 2007 Admin Copy.doc; Risk and Compliance - SAR Reports.doc; 2008 BOD Meeting Calendar.xls; AGENDA December 12 2007.doc; BOD Fraud Update 12.12.07.doc; declaration of dividends resolution Bank.doc; declaration of dividends resolution Holding company.doc; Diamond Bank FSB October 2007 ALCO Book.pdf; HR Issues - Legal JTrent.doc; Oct BOD Package FINAL (2).xls; Resolution - Appointment of BSA-AML Coordinator 2.doc

Team,

The majority of the documents are complete and attached. We are still missing the following items:

Loan Portfolio Review – Chris/Jim

ATM Litigation –Jim, what do you want to say about this at this point?

Fox Litigation-Jim

Fair Credit/Lending Review-Jim

CRA-Jim

Credit Policy – Jim/Chris, do you want the whole policy distributed again or do you want to complete a summary of changes/special notes?

Barbl,

I've attached an agenda called "admin copy" so that you will know where the items belong in the book. However, the other agenda is the one that should be copied for the book. Please also send all docs to the directors by 9:30a.m. via email. Whatever we don't have by then will have to be sent as we get it.

Let me know if you have questions.

Thanks,

Kimberly Cole

Senior Vice President & Chief Operating Officer

Diamond Bank, FSB

100 W. North Avenue (at Clark)

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6/12/2008

Cole Dep DPR000151

Diamond Bank, FSB
Bank Operations/Legal
Update Dated: 12/12/07

To: Diamond Bank, FSB Board of Directors - David Hokin, Chairman; Rob Rubin; Bob Hartman; Richard Marks; James A. Hubbard, President & CEO
From: Kimberly Cole, SVP & COO
CC: Dean Jukovich, SVP & CFO
Re: Carmen Flores via The Consumer Advocacy Center, PC* vs. Diamond Bank, FSB – ATM Class Action Filing November 21, 2007

Description: Plaintiff claimed that when she used the ATM located at 100 W. North Avenue to obtain funds on August 2, 2007, there was not a sign placed on or nearby the ATM stating that a fee would be charged. She also claims that a notice was not visible concerning the availability of funds once deposited within the ATM. Both claims are regulatory requirements under Reg E (EFTA-Electronic Fund Transfer Act) and Reg CC (EFAA-Expedited Funds Availability Act).

Actions Taken: Immediate action was taken to replace the notices on the ATM mentioned in the case. Bank staff subsequently verified that all other bank owned ATMs had the proper notices. The President & CEO engaged Belongia & Sharp, LLC to gather data and prepare initial responses.

It has been determined that this kind of error is covered under the bank's GLP and E&O Policies. Similar cases have been filed in the recent past and settled out of court.

Jim Hubbard

From: Kimberly Cole
Sent: Thursday, January 03, 2008 12:54 PM
To: Jim Hubbard; Dean Jukovich; Chris Sebastian
Subject: RE: board meeting

The Agenda?

Below are items that we previously proposed for the December meeting:

- A. MINUTES OF PREVIOUS MEETING will be distributed
- B. FINANCIALS & ALCO will be distributed
 - a. October Financials
 - b. October ALCO
 - c. Current Deposit Rates
- C. LOAN PORTFOLIO REVIEW Portions will be distributed
- D. LEGAL ISSUES Portions will be distributed
 - a. Fraud Update
 - b. ATM Litigation
 - c. Fox Litigation
 - d. Landmark Status & Issues
- E. REGULATORY, RISK AND COMPLIANCE TOPICS
 - a. SAR Update will be distributed
 - b. Fair Lending Review postponed to January
 - c. CRA Review postponed to January
 - d. Credit Policy Review & Approval postponed to January
- F. RESOLUTIONS
 - a. BSA/AML Coordinator Needs to be done in written form
 - b. Declaration of Dividend for Bank Needs to be done in written form
 - c. Declaration of Dividend for Holding Company Needs to be done in written form

G. OTHER BUSINESS

a. 2008 Calendar will be distributed

Thanks,
Kimberly Cole
Senior Vice President & Chief Operating Officer
Diamond Bank, FSB
100 W. North Avenue (at Clark)
Chicago, IL 60610
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312.371.4056 (Mobile)
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From: Jim Hubbard
Sent: Thursday, January 03, 2008 9:50 AM
To: Kimberly Cole; Dean Jukovich; Chris Sebastian
Subject: FW: board meeting

What do you think about Thursday morning the 10th from 9 until noon. Hartman can do it then or Friday morning.

From: David Hokin [<mailto:dhokin@yahoo.com>]
Sent: Thursday, January 03, 2008 6:59 AM
To: Jim Hubbard
Cc: rrubin@lincolngroup.com; rmarks@diagrp.com; RhartD@aol.com; Matt Gambs
Subject: board meeting

jim, could u see if u can arrange our delayed board meeting towards the end of next week? thx. dh

Jim Hubbard

From: Kimberly Cole
Sent: Monday, December 10, 2007 12:59 AM
To: Jim Hubbard; Barbara Boldt
Subject: FW: Board Meeting Preparation

Attachments: AGENDA December 12 2007 Admin Copy.doc; Risk and Compliance - SAR Reports.doc; 2008 BOD Meeting Calendar.xls; AGENDA December 12 2007.doc; BOD Fraud Update 12.12.07.doc; declaration of dividends resolution Bank.doc; declaration of dividends resolution Holding company.doc; Diamond Bank FSB October 2007 ALCO Book.pdf; HR Issues - Legal JTrent.doc; Oct BOD Package FINAL (2).xls; Resolution - Appointment of BSA-AML Coordinator 2.doc; Bank Operations - Legal ATM CFlores.doc

Jim,

I forgot to attach what I wrote for a quick summary for the ATM Litigation (attached file – Bank Operations – Legal ATM CFlores)...feel free to add/subtract as you deem necessary.

Thanks,
Kimberly Cole
Senior Vice President & Chief Operating Officer
Diamond Bank, FSB
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Sent: Monday, December 10, 2007 12:27 AM
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Subject: Board Meeting Preparation

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Fox Litigation – Jim
Fair Credit/Lending Review – Jim
CRA – Jim
Credit Policy – Jim/Chris, do you want the whole policy distributed again or do you want to complete a summary of changes/special notes?

Barbi,

6/12/2008

Cole Dep DPR000155

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Let me know if you have questions.

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Jim Hubbard

From: Kimberly Cole
Sent: Friday, January 04, 2008 1:55 PM
To: Kimberly Cole; Jim Hubbard; Dean Jukovich; Chris Sebastian
Subject: RE: board meeting

Hi Jim,

Are we set for the 10th or 11th?

Thanks,
Kimberly Cole
Senior Vice President & Chief Operating Officer
Diamond Bank, FSB
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Sent: Thursday, January 03, 2008 12:54 PM
To: Jim Hubbard; Dean Jukovich; Chris Sebastian
Subject: RE: board meeting

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G. OTHER BUSINESS

- a. 2008 Calendar will be distributed

Thanks,
Kimberly Cole
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Sent: Thursday, January 03, 2008 9:50 AM
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Sent: Thursday, January 03, 2008 6:59 AM

To: Jim Hubbard

Cc: rrubin@lincolngroup.com; rmarks@diagrp.com; RhartD@aol.com; Matt Gambs

Subject: board meeting

Jim, could u see if u can arrange our delayed board meeting towards the end of next week? thx. dh

DPR

7

Diamond Bank, FSB
 100 West North Ave.
 Chicago, Illinois 60610-1303
 312-664-4320

ELECTRONIC FUND TRANSFER AGREEMENT AND DISCLOSURE

For purposes of this disclosure and agreement the terms "we", "us" and "our" refer to the Bank named above. The terms "you" and "your" refer to the recipient of this disclosure and agreement.

The Electronic Fund Transfer Act and Regulation E require Banks to provide certain information to customers regarding electronic fund transfers (EFTs). This disclosure applies to any EFT service you receive from us related to an account established primarily for personal, family or household purposes. Examples of EFT services include direct deposits to your account and automatic regular payments made from your account to a third party. This disclosure also applies to the use of your ATM card or Debit MasterCard at our automated teller machines (ATMs) and any networks described below.

TERMS AND CONDITIONS. The following provisions govern the use of electronic fund transfer (EFT) services through accounts held by the Bank which are established primarily for personal, family or household purposes. If you use any EFT services provided, you agree to be bound by the applicable terms and conditions listed below. Please read this document carefully and retain it for future reference.

ELECTRONIC FUND TRANSFER SERVICES PROVIDED

SERVICES PROVIDED THROUGH USE OF ATM CARD OR DEBIT MASTERCARD

If you have received an electronic fund transfer card ("ATM card" or "Debit MasterCard") from us you may use it for the type(s) of services noted below, and the following provisions are applicable:

USING YOUR CARD AND PERSONAL IDENTIFICATION NUMBER ("PIN"). In order to assist us in maintaining the security of your account and the terminals, the ATM card or Debit MasterCard remains our property and may be revoked or canceled at any time without giving you prior notice. You agree not to use your ATM card or Debit MasterCard for a transaction that would cause your account balance to go below zero, or to access an account that is no longer available or lacks sufficient funds to complete the transaction. You agree not to use your ATM card or Debit MasterCard for a transaction that would exceed your account balance plus the available credit on any credit line attached to your account. We will not be required to complete any such transaction, but if we do, we may, at our sole discretion, charge or credit the transaction to another account, and you do agree to pay us the amount of the improper withdrawal or transfer upon request.

Your ATM card may only be used with your PIN. Certain transactions involving your Debit MasterCard require use of your PIN. Your PIN is used to identify you as an authorized user. Because the PIN is used for identification purposes, you agree to notify the Bank immediately if your ATM card or Debit MasterCard is lost or if the secrecy of your PIN is compromised. You also agree not to reveal your PIN to any person not authorized by you to use your ATM card or Debit MasterCard or to write your PIN on your ATM card or Debit MasterCard or on any other item kept with your ATM card or Debit MasterCard. We have the right to refuse a transaction on your account when your ATM card or Debit MasterCard or PIN has been reported lost or stolen or when we reasonably believe there is unusual activity on your account.

The security of your account depends upon your maintaining possession of your ATM card or Debit MasterCard and the secrecy of your PIN. You may change your PIN if you feel that the secrecy of your PIN has been compromised. You may only change your PIN by at any of our convenient locations.

ATM SERVICES

The following services are available through use of your ATM card and Debit MasterCard.

You may withdraw cash from your checking account(s), savings account(s), money market account(s), and NOW account(s).

You may make deposits into your checking account(s), savings account(s), money market account(s), and NOW account(s).

You may transfer funds between your checking and savings accounts, checking and money market accounts, savings and money market accounts, and NOW accounts and money market accounts.

You may make balance inquiries on your checking account(s), savings account(s), money market account(s), and NOW account(s).

You may use your ATM card to obtain cash advances from your overdraft line of credit at an ATM.

NETWORK. Your ability to perform the transactions or access the accounts set forth above depends on the location and type of ATM you are using and the network through which the transaction is being performed. A specific ATM or network may not perform or permit all of the above transactions. For example, you may not be able to make deposits or transfer funds at ATMs located out of state.

Besides being able to use your ATM card or Debit MasterCard at our ATM terminals, you may access your accounts through the following networks: STAR, MASTERCARD, ALLPOINT AND JEANIE.

ATM FEES. When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used, and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.